



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Price Field Office
125 South 600 West
Price, Utah 84501

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DEC 22 1999

DIVISION OF OIL, GAS & MINING

3482
SL-027304
(UT-070)

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Mr. Michael W. Glasson
Senior Geologist
Andalex Resources, Inc.
P. O. Box 902
Price, Utah 84501

DEC 20 1999

Copy to [unclear] FAX Peter [unclear]
ACT 1007/019 #2

Re: Minor Modifications to the Resource Recovery and Protection Plan (R2P2), Aberdeen, Centennial, Gilson and Sunnyside Seams, Tower Mine Complex, Andalex Resources, Inc., Lessee

Dear Mr. Glasson:

A number of changes have occurred with the mining plans for the subject mine complex. The Bureau of Land Management (BLM) has received on September 15 and 28, 1999, two requests to modify the R2P2. These requests cover various mining areas in all the mines (Apex, Pinnacle and Aberdeen) and are located mainly on Federal coal leases SL-027304, SL-063058, U-010581, U-66060, and U-69600.

First, Andalex plans no further mining in the north end of the Aberdeen Mine (Main North and 9th West sections) due to heavy concentrations of methane gas during mining and the deteriorating roof conditions from the depth of cover. Second, Andalex will mine with a continuous miner the west end of longwall panels 9 and 8 to the extent of the thinning Aberdeen seam which thinning trends northwest, thus forming small, triangle-shaped blocks of coal that cannot be mine with the longwall. Third, the Pinnacle Mine will be re-opened for continuous miners to mine remnant and fringe areas before final abandonment. And last, the Apex Mine will be sealed and the mine fan shipped to be used at the new West Ridge Mine.

Difficult and hazardous conditions are stated for ceasing mining in the north area of the Aberdeen Mine. The Main North entries were inspected by the BLM and the poor roof conditions at this depth of cover were noted. Though we did not record actual methane gas readings, we are aware of the increased gas liberation. We agree that controlling the adverse mining conditions would make mining the area uneconomical and increased roof supports and controls may not be sufficient at this depth of cover. We therefore concur with the cessation of mine development to the north and west from the Main North section. We note that Andalex has applied for a category 1 royalty rate reduction from 8 to 5 percent for the price of coal. This area was part of the application. For the record, the BLM needs further written justification as to why further mining cannot be considered in light of the royalty rate reduction application.

The second and third requests to mine with continuous miners portions of the Aberdeen, Centennial and Gilson Seams are authorized, as the approved R2P2 calls for mining remnant coal

blocks at the end of the mine life as mining conditions warrant. The western length of A gate entries for longwall panel # 9 in the Aberdeen Seam exceeds the length of B gate entries as to the minable thickness limits of the coal seam. As the thickness of the coal at the end of the B gate entries determine the length of longwall panel # 9, a triangular-shaped coal block that can only be mined with a continuous miner exists and mining will be attempted. This is an attempt to increase recovery of small coal blocks and we encourage greater recovery. The same is true with the proposal to enter the Centennial and Gilson Seams and mine, with continuous miners, remnant coal left in pillars and blocks not suited for longwall panels.

The final request to seal the Apex Mine and move the mine fan to the West Ridge property is justified by the determination that all economical coal has been recovered in the Apex Mine. The BLM agrees, as the Apex Mine, with coal thicknesses of less than 5 feet, has never been a viable operation on its own. Current coal market conditions have declined since the opening of the Apex Mine and the remaining coal around the existing mine workings are all 4 feet and less. We agree with the sealing of the mine and using the existing Apex mine fan for use at the new West Ridge Mine. The mine was inspected many times when idled and we note no hazardous conditions or discarded waste or equipment in the mine. As part of compliance with the laws governing hazardous and regulated wastes, Andalex is required to certify to certain requirements for abandon areas of underground mines as explained in the enclosed forms.

Andalex's proposed changes to the R2P2 complies with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, the lease terms and conditions, and will achieve maximum economic recovery of the Federal coal. The proposed changes (cease north mining, A seam; proposed room-and-pillar mining in various areas; sealing Apex Mine) are approved provided certification is given for abandonment of the Apex Mine as explained on the enclosed form.

If you have any questions, please contact Stephen Falk of my staff at (801) 636-3600.

Sincerely,

Thomas E. Hasmussen (Acting)

for

Richard L. Manus
Field Manager

2 Enclosures

1. Approved Mine Maps
2. Waste Certification Form

cc: UT-921, SD, Utah (w/encl.)
✓ Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801 (w/encl.)

MINOR MODIFICATION TO
MINING PLAN APPROVED BY
BUREAU OF LAND MANAGEMENT
Recommended By:

Stephen W. Falk 12/29/69
Mining Engineering (Date)

Approved By:
Gene E. Newman 12/29/69
Area Manager (Date)

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FEDERAL LEASE
U-66060 (M)

HALT NORTH DEVELOPMENT

9TH WEST

8TH WEST

PANEL #5

7TH WEST

520' CTR/CTR

6TH WEST

EXISTING COAL LEAS

2000'

MAIN NORTH

470' CTR/CTR

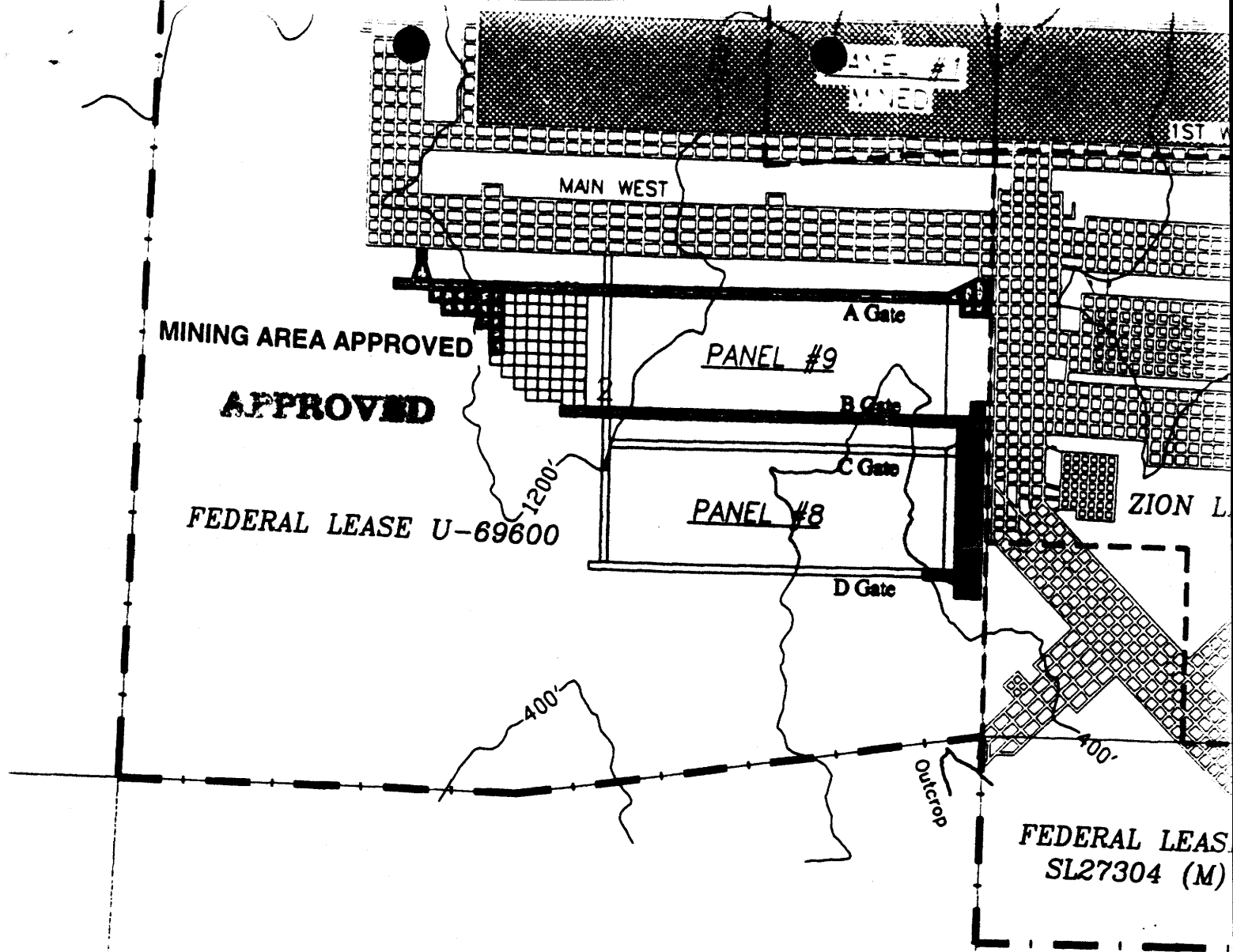
4TH WEST

3RD WEST

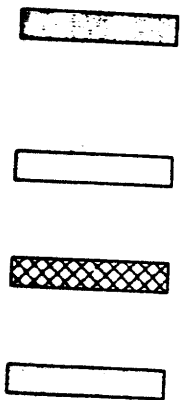
2ND WEST

1ST WEST

FEDERAL LEASE U-01058



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R 10 E
R 11 E

ENVIRONMENTAL AND CERCLA CERTIFICATION

The Environmental Protection Agency promulgated final regulations to implement requirements established in Section 120(h) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended by Superfund Amendments Reauthorization Act (SARA). Under section 120(h), whenever a Federal agency enters into any contract/agreement for the sale or transfer of public land/real property, and on which any hazardous substance was stored for one year or more, or known to have been released or disposed of, the contract (conveyance document) must include notice of the type and quantity of such hazardous substance, and the time at which such storage, release or disposal was originated. This final rulemaking became effective October 17, 1990.

Federal coal leases, if developed, result in the operator conducting mining operations on all or parts of the Federal lands. The lessee/operator, under appropriate circumstances, may utilize hazardous substances on the surface or underground on Federal lands. At the time of lease relinquishment or at the time of any sealing operation conducted by a Federal lessee, it is necessary for the lessee to inform the BLM and any other surface managing agency of any activities of a lessee that might be subject to CERCLA notification. This information will be utilized to satisfy the requirements under Section 120(h) of CERCLA as amended by SARA.

BLM requires the following information to the extent it is applicable to the Federal coal lease relinquishment area or any time that a mining operation seals an area. BLM will make the company proprietary information public only upon transfer or exchange of the relinquished lands.

Explanation:

Items 1-5 deal with hazardous substances and environmental issues. Item 6. is a CERCLA certification by an officer of the lessee. Suggested formats follow.

Required Information:

1. A list of any hazardous substances as defined in SARA Title III Consolidated List (40 CFR 302.4) used on the lease (by date) or products that contain such substances. This shall include all hazardous substances and materials along with their Chemical Abstract Services Registry Numbers (CASRN), and petroleum based oil and other petroleum products that were used, stored or delivered to the lease. Quantities at this time are not necessary. This is for disclosure purposes only.
2. A copy of all reports of spills occurring on the lease or sealed area.
3. A copy of all reports submitted to the State of Utah listing any spill of petroleum based oil or other petroleum products on the lease exceeding 25 gallons or that cause a threat to human health or the environment.
4. A mine map covering the lease showing the location, type and model of any equipment or machinery that is known to be remaining underground. (This does not include materials and supplies, and hand tools). For every piece of equipment that will be left underground upon lease relinquishment, please list the quantities of oil, batteries, or other fluids that are remaining, or could be remaining in the equipment.

5. A summary analysis of water quality reports showing whether or not the water quality has been affected by mining. The data that has been collected throughout the years should be the basis for this summary report. The UPDES/NPDES discharge permit requirements for the mine and copies of certifications or samples to show that these requirements have not been exceeded should be part of this analysis. The analysis should compare the water quality at the time of relinquishment with the water quality that existed prior to mining in the base line analysis. This shall be for all waters that are affected by mining. The company should list any mitigation that was done to alleviate any water quality concerns.

6. An officer of the lessee shall sign and submit a certificate in the form attached for each lease or portion thereof relinquished.

☐ a. Based upon a complete search of all known records of the lessee(s), sublessee(s) and operator(s) (i) for the specified lease or portion thereof relinquished or sealed and (ii) for the operations conducted on the specified lease or portion thereof relinquished or sealed; and upon our knowledge of past operations, there have been **no** reportable quantities of **hazardous substances** (per 40 CFR 302.4) and **Part 373** or **used oil** (per Utah State Management Rule R-315-15), deposited or released within the lease, either on the surface or underground that will harm human health and the environment with respect to any such substances remaining on the property.

☐ b. Based upon a complete search of all known records for the lessee(s), sublessee(s) and operator(s) (i) for the specified lease or portion thereof relinquished or sealed and (ii) for the operations conducted on the specified lease or portion thereof relinquished or sealed; and upon our knowledge of past operations, there has been a release or disposal of a reportable quantity of **hazardous substance** (per 40 CFR 302.4) and **Part 373** or **used oil** (per Utah State Management Rule R-315-15) on the surface of the lease or underground, and all remedial action necessary has been taken to protect human health and the environment with respect to any such substances remaining on the property. This shall be documented with sample analytical data from the remediation or removal process.

(Officer of the Lessee)

(Date)

HAZARDOUS SUBSTANCE REPORT

Submittal Date: _____

Lease(s) # _____

Mine Name and MSHA Mine # _____

Mine Section (if applicable) _____

Coal Bed _____

Hazardous Substance / Product	Date Utilized	CASRN (if applicable)	Location Used (Cross-cut if known)

CERCLA CERTIFICATION

Lease(s) # _____

Mine Name and MSHA Mine # _____

Mine Section (if applicable) _____

Coal Bed _____

☐ a. Based upon a complete search of all known records of the lessee(s), sublessee(s) and operator(s) (i) for the specified lease or portion thereof relinquished or sealed and (ii) for the operations conducted on the specified lease or portion thereof relinquished or sealed; and upon our knowledge of past operations, there have been **no** reportable quantities of **hazardous substances** (per 40 CFR 302.4) and Part 373 or **used oil** (per Utah State Management Rule R-315-15), deposited or released within the lease, either on the surface or underground that will harm human health and the environment with respect to any such substances remaining on the property.

☐ b. Based upon a complete search of all known records for the lessee(s), sublessee(s) and operator(s) (i) for the specified lease or portion thereof relinquished or sealed and (ii) for the operations conducted on the specified lease or portion thereof relinquished or sealed; and upon our knowledge of past operations, there has been a release or disposal of a reportable quantity of **hazardous substance** (per 40 CFR 302.4) and Part 373 or **used oil** (per Utah State Management Rule R-315-15) on the surface of the lease or underground, and all remedial action necessary has been taken to protect human health and the environment with respect to any such substances remaining on the property. This shall be documented with sample analytical data from the remediation or removal process.

(Officer of the Lessee)

(Date)

PETROLEUM PRODUCT REPORT

Submittal Date: _____

Lease(s) # _____

Mine Name and MSHA Mine # _____

Mine Section (if applicable) _____

Coal Bed _____

SUMMARY WATER ANALYSIS REPORT

Lease(s) # _____

Mine Name and MSHA Mine # _____

Mine Section (if applicable) _____

Coal Bed _____

Submittal Date: _____

TRANSACTION REPORT

P.01

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State of Utah

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DIVISION OF OIL, GAS AND MINING

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UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE: 12.23.99

FAX #: 435-613-5828

ATTN: Pete Hess

COMPANY: _____

DEPARTMENT: DOGm

NUMBER OF PAGES: (INCLUDING THIS ONE) 12

----- Shirley Morrison Dogm